

**MINUTES OF THE**  
**CITY OF SANTA FE**  
**FINANCE COMMITTEE**

**Santa Fe, New Mexico**

**February 17, 2003**

A regular meeting of the City of Santa Fe Finance Committee was called to order on this date at approximately 5:15 p.m. in City Hall Council Chambers. Roll Call indicated the presence of a quorum, as follows:

**Members Present:**

Councilor Carol Robertson Lopez, Chair  
Councilor Miguel M. Chavez  
Councilor Karen Heldmeyer  
Councilor Matthew E. Ortiz [arriving 5:45 p.m.]

**Members Excused:**

Councilor Rebecca Wurzburger

**Other Councilors Present:**

Councilor David Coss

**Staff Present:**

Ms. Kathryn Raveling, Finance & Budget Division  
Ms. Laura Vigil, Finance & Budget Division

**APPROVAL OF AGENDA**

Ms. Raveling requested that the following item be removed from the agenda to allow time for review by other committees:

20. Consideration of Resolution Authorizing and Approving Submission of an Executive Agreement for Financial Assistance to the New Mexico Environment Department and Construction Programs Bureau for the Buckman Direct Diversion Project.

**Councilor Heldmeyer moved approval of the Agenda, as amended.  
Councilor Chavez seconded the motion, which passed 2-0 by voice vote.  
[Councilor Ortiz was not present during this action.]**

### **APPROVAL OF CONSENT AGENDA**

**Upon motion by Councilor Chavez, seconded by Councilor Heldmeyer, the following Consent Agenda, as amended, was approved 2-0 by voice vote (Councilor Ortiz was not present during this action):**

6. Bid Openings:
  - a. Bid No. 03/33/B – Refuse Collection Unit; Don Chalmers Ford.
    1. Request for Approval of Budget Transfer – Solid Waste GRT Designated Fund.
  - b. Bid No. 03/34/B – (2) Pumps for Water Division; Pioneer Equipment.
7. Request for Approval of Grant Award – Computer Hardware Upgrade for Municipal Court; New Mexico Municipal Judges Association.
  - a. Request for Approval of Budget Increase – Court Automation Fund.
8. Request for Approval of Grant Award – Education and Outreach Initiative (EOI); U.S. Department of Housing and Urban Development.
  - a. Request for Approval of Budget Increase – Grant Fund.
9. Request for Approval of License Agreement – Landscaping Within City Acequia Right of Way; Susan Hill.
10. Request for Approval of Lease Agreement and Release of Liability Affecting Air Space Within the City Public Aerial Right of Way; T Mobile.
11. Request for Approval of Lease Agreement – Renewal for Landscaping and Parking on City Land Abutting Harkle Road; Andreas R. Lemperg and Ingela Turesson-Lemperg.
12. Request for Approval of Contract Amendment No. 1 – Senior Employment Program; North Central New Mexico Economic Development District Area Agency.

- a. Request for Approval of Budget Increase — Grant Fund.
- 13. Request for Approval of Professional Services Agreement — Day Reporting Program for Truancy Prevention Within Santa Fe Public Schools — Jack-O Consulting.
- 14. Request for Approval of Amendment No. 1 to Professional Services Agreement — City Wide Sewer Utility Construction; Albuquerque Underground, Inc.
- 15. Request for Approval of Professional Services Agreement — Design and Engineering Services to Complete Airport Master Plan Work and Preparation of Master Leasing Plan; C.R. Walbridge & Associates, LLC.

**APPROVAL OF MINUTES: January 21, 2003**

**Upon motion by Councilor Chavez, seconded by Councilor Heldmeyer, the minutes of the January 21 meeting were approved, as submitted, 2-0 by voice vote. [Councilor Ortiz was not present during this action.]**

**DISCUSSION AGENDA**

**Request for Approval — Paratransit Operations Analysis Implementation Plan and Subcommittee Recommendations.**

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Transit planner Jon Bulthuis reported that, on January 7, 2002, Multisystems Inc. began work with Santa Fe Trails to conduct a Paratransit Operations Analysis. He said the goal of undertaking this task was to review the current system of Paratransit service delivery and recommend modifications that not only contain the growing costs of the program, but also maintain or improve the level of service offered to the community.

Mr. Bulthuis introduced Multisystems representative Russell Thatcher, who would present the results of the study along with recommendations.

Mr. Thatcher presented slides on recommended “Short, Medium, and Long Term Changes” to the Paratransit system. *[Slides submitted herewith as Exhibit “A.”]*

In the course of describing the recommendations, Mr. Thatcher said it was important to try and maintain the current level of Paratransit service rather than reduce hours of operation, etc. He stated that, to be able to maintain the current high level and quality of service now existing, it would be necessary to implement the approved fare increases that went along with the recently-approved fixed route fare increases. He noted that Santa Fe is in the low end of fares charged for Paratransit service among peers. He said six of the eight peers Multisystems surveyed have fares ranging from \$1.50 to \$2.00, which is what the City's Paratransit service would be moving to over the course of a year.

Addressing short-term recommendations, Mr. Thatcher said a number of management recommendations on items such as service reporting, service monitoring and additional training for drivers on disability awareness are being implemented as part of the current RFP for a new contract with the provider that would begin this summer.

Mr. Thatcher also recommended that Transit move from a paper application process to an in-person interview to review individuals' need for Paratransit service. He noted that people already come in to have their photo ID done, so this should not be an additional burden for users.

Mr. Thatcher also reviewed mid-term recommendations, including purchasing of a new software system to operate the service. He said the Senior Van Program would also share this software for the operation of its system.

Chair Lopez noted that there was consensus on the six recommendations being made by Multisystems. [1. Santa Fe Ride Fare Increase; 2. In-person Interview for ADA Paratransit Eligibility Determination; 3. Purchase Accessible Minivans for the Santa Fe Ride Operations; 4. Purchase and Install New Paratransit Software for the Santa Fe Ride Program and Senior Van Program; 5. Establish "Premium" Same Day Fare for the Santa Fe Ride Program; and 6. Contingency Plans for In-house Operations.]

Chair Lopez noted that the Paratransit Subcommittee of the Transit Advisory Board has made four recommendations, three of which have been accepted as friendly: 1) naming a representative from the disabled community to be directly involved in the entire process of selecting a service provider; 2) inclusion of a sensitivity training requirement in the service contract; and 3) limiting passenger loads in sedans to a maximum of three passengers (with a maximum of two passengers in the backseat).

Chair Lopez said the fourth recommendation of the Subcommittee, calling for same-day guaranteed reservations, has been a point of contention.

Responding to questioning from Councilor Heldmeyer on County financial participation, Mr. Bulhuis said the City is required by law to provide Paratransit services within 3/4 mile of its fixed route service. He stated that the City receives about \$65,000 from the County directed toward the Paratransit program to cover services for County residents, which is in the ballpark of what the County should pay based on ratio of service. He added that the County does not contribute any other monies to the program.

**Councilor Heldmeyer moved for approval, as amended. Councilor Chavez seconded the motion, which carried 2-0 by voice vote. [Councilor Ortiz was not present for this action.]**

**Request for Approval of a Resolution in Support of City Staff  
Developing a Project Agreement in Cooperation With the New Mexico  
State Highway and Transportation Department's Municipal Arterial  
Program That Will Provide for Road Improvements to Old Pecos Trail  
From Cordova Road to East Berger Street. (Councilors Heldmeyer  
and Wurzburger)**

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**A. Request for Approval of Budget Increase – CIP Reallocation  
Fund.**

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Chair Lopez disclosed that she works for the Highway Department but did not feel she had a conflict of interest because she had no financial stake in whether this was adopted or not.

Councilor Heldmeyer stated that the City has obtained money allocated by the Highway Department some time ago to make safety improvements to Old Pecos Trail. She said the monies do not cover the Cordova-Armenta-Old Pecos Trail corner, however, so the City is making application to the State to finish that.

She noted that the monies for this were included in the original project many years ago.

Councilor Heldmeyer said pedestrian enhancements are also being requested in response to concerns by the Old Santa Fe Trail Neighborhood Association and several area schools.

**Councilor Heldmeyer moved for approval. Councilor Chavez seconded the motion, which carried 2-0 by voice vote. [Councilor Ortiz was not present for this action.]**

**Consideration of a Resolution Approving the National Pollution Discharge Elimination System Plan and Submitting an Application for a Permit From the U.S. Environmental Protection Agency. (Councilors Chavez, Heldmeyer, Bushee, Coss, Pfeffer and Robertson Lopez) (Postponed From Finance Committee Meeting of February 3, 2003.)**

City Manager Jim Romero stated that he recently became involved in this project because there were \$32 million in proposed expenditures over a five-year period. He said that, after extensive review by staff, he was now recommending that the NPDES Plan be reduced from \$33 million over the next five years to \$1 million over the next five years.

Mr. Romero said City rate analyst Dennis Gee has developed a series of residential and commercial rate increase scenarios for review.

Mr. Romero assured the Committee that the reduction in implementation costs to \$1 million would be in compliance with EQA requirements.

Referring to the list of projects compiled by City planner Marian Shirin, Mr. Romero said he thought the City could address some of them internally through CIP funding or other funding.

Mr. Romero noted that, based on information he obtained from the Federal Register, the federal government surveyed 26 cities, and none of them anticipated spending more than \$9.16 per household per year to meet minimum EPA standards.

Councilor Chavez commented that, in paring down the list of projects, \$20 million was taken out for sludge removal and sludge remediation at the

wastewater plant, something that the City will still have to address in the near future.

Ms. Shirin noted a set of six recommendations from Public Utilities director Jerry Lowance and the City Manager. She said Mr. Lowance drafted an entirely new plan to replace the original Storm Water Management Plan she had drafted.

Councilor Chavez called the Committee's attention to Mr. Lowance's draft, entitled: Storm Water Management Plan for City Departments, with the following proposed amendment to the resolution:

Within the National Pollution and Discharge Elimination System (NPDES) Plan, replace Section 4.0 Best Management Practices with the attached document "Storm Water Management Plan for City Departments."

Councilor Ortiz, who had joined the proceedings in the course of this discussion, expressed concern that the Finance Committee had not had an opportunity to review the figures in the Plan despite assurances by staff to the contrary. In light of the approaching March 10 deadline, however, he suggested that this resolution be placed on the February 26 Council agenda to avoid further delay. He said the resolution could then be reconsidered, amended or revoked, as necessary, to "make this a more thoughtful and less expensive piece of legislation."

Councilor Chavez responded by pointing out that this Plan has gone through the committee process, and Councilors have had ample opportunity to meet with staff and discuss possible amendments in that time.

Councilor Chavez remarked that the City was playing "a shell game" because it would still have to come up with \$20 million for sludge removal and remediation.

Councilor Ortiz responded that, when Councilors first saw the NPDES Plan in committee, the dollars had not been totaled nor was there a financing package in place.

Councilor Ortiz pointed out that some projects on Ms. Shirin's list were "wish list items" rather than priorities. He said the City should give the federal government what it requires minimally, then work on some of the other items as they are deemed to be priorities.

Councilor Heldmeyer commented that, in terms of what the EPA wants to see in the Plan, "Santa Fe is in worse shape than a lot of other places because of the nature of our landscape and topography, and I think we need to recognize that." She added that, because of this change, the City is effectively submitting a plan at the last minute, and at some point should revisit the plan to be sure it has not eliminated components that in fact should be prioritized.

Councilor Coss said he hoped this reduction from \$32 million to \$1 million would not result in non-compliance issues for the City. He stated that he hoped to see some of the deleted projects restored because of pollution in the river caused by runoff, which he thought a waste of a precious resource. He commented that it was "beside the point whether or not EPA makes us do this. It's that we should be taking care of our watershed and our river system and our water supply, and I don't think a million dollars will get us there."

Mr. Romero responded that it was his hope that at least a few of these projects could be addressed through City funding or other funding as it becomes available. He said, "I just did not want to submit a document to the EPA with a price tag of \$32 million and be held to \$32 million worth of projects over five years." He said the community would have been absorbing rate increases between \$20 and \$60 per month.

**Councilor Ortiz moved to direct the City Manager and City Clerk to put this resolution on the February 26 Council agenda; that the Committee approve the discharge plan with the amendments as proposed by staff; that the Committee encourage, as the initial submission to the federal government, compliance; and that the Committee agrees to review the discharge plan, once approved, within six months of adoption.**

**Councilor Heldmeyer seconded the motion, with the amendment that the six-month review include both a list of projects that the City has been working on or planning for; and any feedback that has been received from the EPA on the sufficiency of what has been submitted.**

Councilor Chavez commented that this would effectively throw out six months' worth of work by staff and was "a shell game."

**The motion passed 3-0 by voice vote.**

**Public Hearing:**

**Consideration of an Ordinance Amending Chapter 28 SFCC 1987**



**Establishing Minimum Wage Requirements for All Businesses Who Obtain a Business License or Business Registration From the City of Santa Fe Who Employ Ten or More Workers or, in the Case of Nonprofit Businesses Who Employ Twenty-five (25) or More Workers. (Councilors Ortiz, Coss and Chavez)**

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Councilor Ortiz read the following statement from Councilor Wurzbarger: "I'm sorry that I could not be in attendance for tonight's meeting. As a favor to the Public Utilities Committee Chair, myself and Councilor Pfeffer are meeting in Pojoaque with officials from Santa Fe County and the City of Española on regional water cooperation.

"I would like to correct the misimpression in Sunday's *New Mexican* that I'm not supportive of a living wage. I am working very hard with the co-sponsors to find a common ground I would support based on the potential for fiscal impacts on small businesses and not-for-profits. I'm also trying to cooperatively develop an evaluation process that will give the governing body important data, sooner rather than later."

The floor was opened to public comment. Based on the number of persons indicating that they wished to speak, Chair Lopez asked speakers to limit themselves to two minutes or three minutes maximum.

Rev. David McGown

Rev. McGown, 2751 Villa Caballero del Sur, Santa Fe, stated that his early ministry was in West Virginia coal mining camps, where "there were rows of little houses along the hillside and a water spigot and an outhouse for every two homes." He stated that he then served in New York City's Lower East Side, where his ministry was with immigrants from more than 20 countries.

Rev. McGown said, "This is to say I know the problems of the poor. I speak as a clergyman. My Master lived and worked among the poor...[and] said, 'I was hungry and you gave me food. I was thirsty and you gave me drink. Inasmuch as you did it unto one of the least of these, you did it to me.' "

Rev. McGown stated that the City needs to raise the minimum wage.

Samuel Bowles

Dr. Bowles, 624 Paseo de la Cuma, stated that he is director of the economics program at the Santa Fe Institute, and taught economics for 35 years at Harvard and University of Massachusetts, where he specialized in research topics concerning wages, employment and productivity. He said he had also served as economic advisor to Sen. Robert F. Kennedy, President Nelson Mandela, Rev. Jesse Jackson and Rev. Martin Luther King, Jr..

Dr. Bowles read a paper entitled, "Testimony on the Economic Impact of an Increase in the Minimum Wage." He stressed that this testimony was not sponsored by any organization, nor has it been compensated by anybody.

*[Paper submitted herewith as Exhibit "B."]*

In the course of presenting his report, Dr. Bowles stated that Card and Krueger studied employment in a random sample of fast food firms before and after the 1992 increase in New Jersey's minimum wage. He noted that, in comparing employment in New Jersey and Eastern Pennsylvania, the authors found that employment in New Jersey actually increased compared to employment in Pennsylvania, though the difference was not large.

In that light, Chair Lopez asked Dr. Bowles to address what kind of impact would be experienced here if workers inside city limits were receiving \$8.50 an hour while workers in Santa Fe County would be receiving wages of \$3 less per hour.

Dr. Bowles responded that the amount of the increase being proposed in this ordinance was far in excess of the increase experienced in New Jersey. He also stated that fast food operations were being compared, where one would expect the negative impact of wage increases to be the greatest of any industry. He cited industry studies saying that the effect of wages on prices and profits is greater in fast foods than in any other part of the economy.

Dr. Bowles said there is no evidence that a large increase would behave differently from a small increase, but stressed that this has not been studied because that data is not available yet.

Chair Lopez said Dr. Bowles was referring to entire states, e.g., New Jersey and Pennsylvania, but she was speaking to a city boundary "and the rest of the world." She expressed concern that the city could experience economic hardship because people in the county would be making much lower wages, and it could also create a situation where educated workers would get the good jobs in Santa Fe and low skilled workers would have to work in the county.

Dr. Bowles responded some of the New Jersey-Pennsylvania study is relevant because they compared fast food establishments just across the border from each other.

Dr. Bowles continued, "You're right that if you have a minimum wage increase in a large entity, like a country, you're not likely to have as big an effect as in a small entity like a city. On the other hand, you have to ask yourself, with what are the businesses in the city of Santa Fe competing? That is, do you really expect the restaurants and downtown hotels in the historic center to relocate outside the historic district and outside the city so as to take advantage of the fact that the adjacent cities and towns don't have a minimum wage?" He said he was not saying that wouldn't happen, but pointed out that Santa Fe's economy is unusual in that people come here because they want to be in Santa Fe and not elsewhere.

Dr. Bowles also suggested that people ask themselves if tourists would not come here anymore if they had to pay \$27.50 for a dinner instead of \$25.00 as before.

Dr. Bowles pointed out that, if costs increase, productivity can increase; management/owners can take home a little less money; or prices can be increased.

#### David Thompson

Mr. Thompson, Sena Street, representing the Santa Fe Living Wage Network, submitted a typed petition of names supporting a living wage in Santa Fe. He said the list, consisting of about 1,500 names, would appear in next Sunday's *New Mexican*. [Submitted herewith as Exhibit "B.1."]

Mr. Thompson stated that, contrary to what some people thought, the Network is a local effort with local organizers who are volunteers and a \$3,000 budget.

#### David Salman

Mr. Salman, of 111 Calle Paisano, and owner of Santa Fe Greenhouses, spoke against the Living Wage Ordinance.

Mr. Salman stated that the possibility of war in Iraq and a stagnant economy has created economic uncertainty throughout the U.S., and in this region water is a major consideration that adds to that uncertainty. He said all of this is very hard on local businesses, only made more challenging by the possibility of having “a huge possible wage increase thrown our way.”

Mr. Salman said a person’s pay should be based on the level of their education and job-related skills, and not their place of residence.

Mr. Salman stated that Santa Fe Greenhouses has been in business for 20 years, and finds this a challenging and expensive place to do business because of a very competitive labor market and an already-high cost of labor. He said he pays entry-level employees, as well as seasonable and part time employees, a lot more than businesses elsewhere in New Mexico and in other parts of the country. He stated that his regular employees already receive more than is being proposed in the ordinance.

Mr. Salman said that, in the last three years, medical insurance coverage has gone up 100% for his employees. He stated that federal, state and other taxes have also continued to ratchet up rapidly as well.

#### Rabbi Nahum Ward-Lev

Rabbi Ward-Lev, of 2663 Villa Caballero del Norte, said a central concern of the Bible is how the poor and needy are treated. He pointed out that, in the five books of Moses, there are 34 references to the importance of caring for the orphan, widow and stranger. He stated that the biblical prophets also warn repeatedly that if there is too great a gap between the rich and the poor, it destabilizes society.

Rabbi Ward-Lev stated that everyone knows that the minimum wage in Santa Fe is not a living wage, and many people have two or three jobs to get by, which generates all kinds of problems.

Rabbi Ward-Lev submitted information on the living wage issue from the Religious Action Center of Reform Judaism. He stated that the Reform movement in Judaism, which comprises over 1,000 congregations, almost 2,000 rabbis and over 1 million Jews, has taken a position on the issue of the living wage. He stated that, in 1999, the Union of American Hebrew Congregations passed a resolution urging congregations to support living wage ordinances in

their communities. He stated that the Central Conference of American Rabbis passed a similar resolution in 1999. *[Submitted herewith as Exhibit "B.2."]*

Rabbi Ward-Lev said the fabric of a society is stronger and healthier when everyone can adequately support himself or herself.

#### Elizabeth Lujan

Ms. Lujan, 1430 Galisteo Street, said she has been a nurse in Santa Fe for the last 36 years, and is regional president for 1199 Hospital and Health Care Workers.

Ms. Lujan spoke for the living wage because "it is a moral and ethical thing to do." She stated that her union was able to negotiate fair wages for hospital and health care workers, who are now paid what they deserve for their hard work and service. She said, "It now time for the underpaid section of this community to be treated fairly as well." She stated the people threatened by this ordinance are landlords who charge high rents to small businesses. She said the City should impose rent control in order to ease the burden of small businesses.

#### Giselle Pieburn

Ms. Pieburn, 1212 Don Gaspar, said her husband is a licensed painting contractor, and they have a small company that starts entry level people at \$12 per hour. She said that frequently their employees make more than they do by the end of the year. She stated that she and her husband believe that the living wage "is the right thing to do."

#### Leslie LaKind

Dr. LaKind, a dentist in Santa Fe, stated that he starts people in his office at \$12 to \$14 an hour, and some of his employees are making up to \$19 an hour. He stated that this is typical in the dental profession. He said, "The people that I hire dress nicely, speak nicely, they are skilled or they get skills by the time they finish with us. It would work against me if I were hiring at \$7 or \$8 or \$9 an hour. I wouldn't be able to have the kind of business that I would want to have."

#### Alia Munn

Ms. Munn said she and her husband have owned a small re-sale shop on Second Street and in the first year hired part time help for \$8 an hour, which they raised to \$10 in the second year. She stated that she and her husband still do not pay themselves a regular salary.

Ms. Munn stated, "I'm sure that most business owners can remember the days when they worked for someone else and maybe even realized that their valuable skills were helping to increase the viability of their employer's retirement portfolios. One who gives daily to the cause and development of a business that will ultimately benefit the employers deserves to be paid adequately...."

Ms. Munn said she thought it fine to pay \$5 an hour to a teenager who is saving his cash to buy a car or go out with his friends, but she did not think it was right to pay that kind of wage to someone who is trying to pay "rent on their thousand-dollar tiny Santa Fe apartment or someone who is trying to raise a child or children."

Ms. Munn stated that it was "the right thing to do" to adopt the living wage ordinance.

#### Robert Adams

Mr. Adams, president of the Santa Fe County Young Democrats and a member of the Santa Fe County Central Committee for the Democratic Party, read a resolution passed by the Central Committee on February 8 in support of a living wage. *[Submitted herewith as Exhibit "B.3."]*

#### Anne Sperling

Ms. Sperling, employee benefits manager for Daniels Insurance Agency in Santa Fe, stated that received a degree in business administration from the University of Vermont, focusing on compensation administration and human resources management.

Ms. Sperling stated that employee benefits are not just wages, but include statutory benefits such as FICA and Worker's Comp, and insurance benefits include group medical, group dental, life insurance, short and long term disability, etc., and retirement plans include 401-K, profit sharing, stock options,

IRAs, etc., and miscellaneous benefits include holidays, vacations, sick leave, flu shots, military leave, jury duty, bonuses, uniform expenses, free parking, service rewards, coffee service, educational assistance, bereavement leave, etc. She said all of these factors should be included in a fringe benefit analysis of what employees receive as far as compensation is concerned.

Ms. Sperling also stated that compensation administration is also based on pay systems, and looking at market comparisons, job evaluations, job rankings from most important to least important, classification of grading method based on duties and responsibilities, point systems, salary reviews, etc.

Ms. Sperling pointed out, "People choose to live in Santa Fe. It is a known fact that Santa Feans receive lower compensation.... I don't believe that it's an intrinsic right to receive higher compensation simply because I live in a certain city. I do believe that it is a right to receive higher compensation based on your skills, your expertise, your education, and your drive to earn more."

Ms. Sperling expressed concern that, because benefits are aimed at helping employees rather than employers, "if we raise the living wage we're going to have more and more employers dropping their medical insurance benefits as well as their other benefits in order to afford the living wage." She said employees with medical conditions will not be able to obtain insurance on their own, in a state where 25% of the population is uninsured, because the laws do not protect them. She further pointed out that a state/federal matching fund program for uninsured people in New Mexico is ill-advised and not ready for launching; furthermore, it has a \$100,000 limit on it and would probably not be accepted unless through employers as opposed to individuals.

Ms. Sperling submitted her business card and asked Councilors with questions to contact her at 982-4302, or to email her at [asperling@dii-biz.com](mailto:asperling@dii-biz.com).

#### Daniel Rivera

Mr. Rivera, executive director of New Mexico Federation of Labor/AFL-CIO, urged Councilors to support this ordinance because it was "about ethics, about heart, about the collective voice of the workers who are being represented."

#### Marlene Shwoyer

Ms. Shwoyer [spelling unknown], 26 Sudeste Place, said she is a labor representative who works with public school employees throughout Northern New Mexico, "and too many of these employees who work full time jobs are among the working poor." She said the federal poverty guidelines for a single wage earner for a family of three are \$7.03/hour; in order to be eligible for food stamps in New Mexico, a wage earner family of three would earn \$9.14 per hour. She stated that, in order to be eligible for the State Children's Health Insurance Program in New Mexico, a wage earner family of three would earn \$13.36. She said, "We have workers who need to work 60 and 80 hours a week just to make it up to the poverty level." She urged Councilors to support the living wage ordinance.

### Terrell White

Mr. White, owner of the El Rey Inn on Cerrillos Road for 30 years, stated that his company employs 36 people with a 14-year average tenure. He said many people have retired from the company with more than 20 years of employment with El Rey.

Mr. White said he has funded a profit-sharing plan since 1981 with over \$3.8 million from his company, and the employees have not paid anything into the plan. He said that, to date, El Rey has paid out over \$900,000 in retirement benefits to former employees.

Mr. White said his company pays three weeks' vacation, has a medical plan that it pays the entire premium on, a dental plan that the employees pay a small portion of, and El Rey has made company loans at little or no interest "for everything a person could possibly imagine. In other words, our employees are invested in El Rey Inn."

Mr. White stated that his guests return many times to El Rey because they are "treated well by courteous, professional and contented, happy employees. This is just good business. What makes this good business sense? It is a free market place and I must pay for the type of person whom I need to be part of our team and treat that individual as I want to be treated."

Mr. White questioned why the City "wants to intervene into my business and mandate to me what I can and cannot do as a businessperson, rather than let free enterprise of supply and demand dictate what the labor costs shall be for an employer. That's driving a spike into the very heart and soul of a company that seems more like a family unit, pitting management against employees, employee



against ownership, and destroying the very success that has taken 30 years to build, nurture and safeguard.

“For me, the alternative of hanging out a For Sale sign and leaving Santa Fe is looking better by the day. In summation, you cannot legislate good and sound business practice.”

### Earl Potter

Mr. Potter stated that he and his wife Deborah have mortgaged their home and devoted their lives to the Five and Dime, formerly the Woolworth's. He said they hired almost all of the long-time employees, most of whom had worked at least ten years at Woolworth's, and have managed to raise wages 15%. He stated that the Five and Dime pays downtown market rent, and its average sale is \$6.50, and they have begun a health plan and a retirement plan.

Mr. Potter said, “Now we're facing an ordinance where many of you who have come up to us and said, ‘thank you for starting this business,’ and now you're going to tell us that we have to run that business in a certain way. Well, let me tell you what that is going to mean.... It means we're going to have to fire some people who have worked there for over ten years. It means we're going to have to drop some of those programs that we've put in place.”

Mr. Potter commented, “If I sound like I am angry and depressed and sad, I really am. Because you haven't taken the trouble to do a thorough study of something that is new in the United States. You haven't gone out and done a survey of businesses. You haven't looked at this with tremendous scrutiny....This is going to have a horrible impact on businesses.”

Mr. Potter said the Five and Dime hires the relatives of employees during the summer, and most of them are students. He commented, “Guess where the first jobs are going to be lost?”

Mr. Potter said, “I don't think any of you have any idea what it's like to run a business like the Five and Dime; I really don't.... You're talking about a totally unprecedented step which you're hearing from business owner after business owner is going to have a negative effect. It's going to cost jobs. I urge you to rethink this.”

### Norm Bideau

Mr. Bideau said he is a member of the Hunger Poverty Network of Northern New Mexico and the Unitarian Social Justice Committee. He stated that he volunteers at the State Agency for Aging, where he hears “tales of woe from people who are hardworking people, who are not drones, that are finding it extremely difficult to survive.”

Mr. Bideau said people are able to make it in Santa Fe by having several members of their family work, and by working two and sometimes three jobs. He commented that often they cannot afford to live in the town where they work.

Mr. Bideau commented that Santa Fe could become a pacesetter for other cities. He said the “sky has not fallen” in other cities that have adopted a minimum wage ordinance.

#### Ana Garcia

Ms. Garcia, of 1205 Parkway Drive, spoke on behalf of Somos Un Pueblo Unido, a local immigrants rights organization. She said Somos has a membership of about 400 people in Santa Fe, most of whom are recent immigrants from Mexico and Central America.

Ms. Garcia stated that Somos and the City of Santa Fe coordinated a public forum for immigrant families to talk about their issues, and one man, now a member of Somos, had lived and worked in the U.S. for more than 20 years as an agricultural worker. She said that, when he moved to Santa Fe, he got a job at a downtown hotel; “and although it caters to celebrities from around the world, in his eight years of working there as a dishwasher, he never made more than \$7.25 an hour. He had to have heart surgery. And when he didn’t recover quickly enough, he was fired. Everyday we advocate for immigrants who come to our office seeking information about their rights as workers. They complain about not being paid for their work, about being mistreated and discriminated against, about the substandard and unsafe working conditions, about not having overtime pay, no health insurance, no job security, and unsettled Workers Compensation claims.

“It is clear that immigrants are some of the most vulnerable workers in this community. A living wage will not cure all these problems, but it is a start. Most of us know that it is not uncommon for immigrant workers to have two or three

jobs just to make ends meet. This ordinance would no doubt improve the quality of life for hardworking immigrant families.”

Elise Noble

Ms. Noble, 31-A Old Arroyo Chamiso Road, said she and her husband have lived here for 33 years and have been doing business as Noble Real Estate since 1976.

Ms. Noble stated, “Since studies have shown that a higher minimum wage leads to increased unemployment, and other studies have shown that a higher minimum wage does not affect unemployment, the living wage issue isn’t going to be settled by studies. Instead, we need to decide what sort of place we want Santa Fe to be. The best part of Santa Fe is not its sunshine or its pace or its art, it is the spirit of the community, its heart. I don’t want to live in a town where people work but can’t afford to live. That is a gated enclave, not a community.”

Ms. Noble asked Councilors to support the living wage ordinance.

Carter Bundy

Mr. Bundy, representing AFSCME, stated that “almost every dollar you put in the pocket of someone who’s making \$6 an hour goes right back into the local economy.”

Mr. Bundy said that, throughout U.S. history, “we have built up our wealth by deciding we can afford to take a few risks. We’ve done this by getting rid of child labor. Everyone said the sky is going to fall. We’ve done it by having a lot better safety standards than we had at the turn of the century, and all of the businesses said the sky is going to fall. Not only did it turn out to be economically beneficial for them, it was the right thing to do, and workers were able to have much longer productive lives. We saw it recently with the Family Medical Leave Act. Everyone said this is going to destroy the American economy. Right after the Family Medical Leave Act, this country went through, partly because of that, one of the best periods of employment in world history.”

Mr. Bundy said he could appreciate the concerns of the business community, since no one wanted to see higher unemployment, but that hasn’t happened historically.

### Chuck Montañño

Mr. Montañño, chair of the New Mexico Hispanic Roundtable and an employee of Los Alamos National Laboratories, stated that his father worked as a laborer in the 1950s in Santa Fe and was able to own a home, until Santa Fe began to change into “a hot tourist destination” and visitors decided to move here. He said another change is that many of the better-paying jobs are not going to local Hispanics and minorities. Mr. Montañño said, “Something has to be done to level the playing field for workers.” He stated that people who make better wages create more secure homes for their children, who then do better in school. He said Los Alamos, where he lives, is such a community.

### Frank Regano

Mr. Regano, of 59 Ellis Ranch Road, said he is a general contractor in Santa Fe. He said entry-level pay with his company is \$12 an hour, and employees who are paid this salary reward the company with loyalty and better production. He said the effect of paying higher wages to workers is that contractors and subcontractors have to cut their profits a bit, and also someone may have to scale back their project in order to afford higher pay for the workers. He commented that this may cause some difficult decisions in the business community, but it is “certainly only just that people be paid this wage.”

### Gloria Jett

Ms. Jett stated that she works for the Bioneers, a nonprofit based in Santa Fe. She read a statement prepared by Nina Simons, executive director of the Bioneers, asking for support of the ordinance. *[Submitted herewith as Exhibit “B.4.”]*

### Joe Hoback

Mr. Hoback, of 852 Old Santa Fe Trail, stated that he owns The Pink Adobe and works 60 to 80 hours a week. Mr. Hoback spoke against the ordinance but commented, “If Santa Fe’s cost of living is 20 to 25 percent higher than other communities, maybe we should consider raising the living wage up to that amount.”

Mr. Hoback suggested that the City commission a thorough economic impact study by a professional consultant.

Mr. Hoback stated that The Pink Adobe has an employee benefit package that includes health, dental, life insurance, retirement plans, employee meals and financial incentive programs. He said this has helped the restaurant maintain a long-term staff that sincerely cares about The Pink Adobe. He said they would try to maintain these programs if the ordinance is passed, but will have to make cuts. He said The Pink Adobe “primarily uses local Santa Fe businesses to buy our food, liquor and supplies. We also use local businesses for such things as printing, advertising, consulting, and many other services. If this bill is passed, we will be forced to cut costs, which means discontinuing the purchase of some of these items and services.” He stated that this would mean finding out of town providers for many of these goods and services.

Mr. Hoback stated that The Pink Adobe donated \$20,000 last year, which will have to stop if this ordinance is adopted.

Mr. Hoback said the City should be doing all it can to lower the dropout rate in Santa Fe, since that is the key to better employment.

#### Glen Shifbauer

Mr. Shifbauer [spelling unknown], 223 West San Francisco Street, stated that he owns a small business in downtown Santa Fe and has two employees, whom he pays \$9 per hour. He said this is a startup business, so the employees get higher pay than he does.

Mr. Shifbauer expressed concern that this ordinance will affect the labor pool he can choose from and the kind of employee he is looking for. He said he would therefore have to increase the salary of his existing employees to keep them from leaving.

Mr. Shifbauer said these are tough economic times for everyone — in the last six months, four businesses within 50 yards of his store have closed, two of which were here for more than 15 years.

Mr. Shifbauer urged the City to study the effects of this ordinance carefully before adopting it.

Kim Perry

Ms. Perry, 519 Vera Drive, said she is a business owner, a public affairs consultant, and a mother, and is against the ordinance. She suggested that the Council focus on other issues such as securing additional water rights. She said the City has not done an impact analysis on how the proposed living wage would affect Santa Fe. She stated, "As a mother, I encourage you to listen to the voices of our youth. I cannot tell you the number of teenagers I know who have already dropped out of high school, being paid \$5.50 an hour in order to make car payments. Imagine our dropout rate with the proposed change."

Ms. Perry pointed out that education is the key to economic reform. She said, "I implore you to think about those who will be most impacted by a living wage ordinance on the private sector, and that includes those single moms with little education and tons of responsibilities. It will be those who you think you are helping the most who will be the hardest hit."

Rev. Holly Beaumont

Ms. Beaumont said she is project coordinator for the New Mexico Conference of Churches, which supports the living wage in state legislation.

Ms. Beaumont said she and her husband are about to start a food processing business, and will be paying a living wage to their workers.

Ms. Beaumont said this ordinance is necessary because, for too long, the federal government has neglected the minimum wage, which is part of the fabric of U.S. culture. She stated that this has resulted in trickle-down economics, which during times of economic uncertainty has the people at the top reaping the benefits instead of those at the bottom. She said this means the working poor have been forced to make sacrifices to support the businesses that employ them.

Ms. Beaumont said hard work should be rewarded, and people who do an honest day's work should not be poor at the end of their working day.

Gerald Bush

Mr. Bush, said he is operations manager for Michelle's LLC, which owns and operates seven motels in New Mexico, one of which is the Super 8 on Cerrillos

Road. Mr. Bush said he lives at the Super 8, which is located at 3358 Cerrillos Road.

Mr. Bush said the minimum wage has been raised repeatedly over the years, and even at \$5.20 an hour, there are still poor people. He pointed out that raising it would therefore not solve the problem. He said solving the problem is by reducing the cost. He pointed out, "I'm sure that if I was to pay my housekeepers \$20 an hour, they certainly wouldn't increase their productivity by cleaning a room faster, thus keeping my costs down." He said the same could be found with grocery stores, which operate on a 1% profit. He asked if Councilors thought that increasing the pay of checkout clerks to \$20 an hour would cause them to check people out faster.

#### Burton Evans

Mr. Evans, 2019 Hopi Road, said he has been running Baja Tacos for 12 years and is against the living wage increase, because it will hurt Baja Tacos, which starts its employees at \$6.50 per hour. He said, "This is socialism. I think it's wrong, and I think that wages should be dictated by the market and not by government."

#### Holly Kinley-Lick

Ms. Kinley-Lick, 202 Spruce Street, said she is a financial consultant with AG Edwards and serves on the Chamber of Commerce board of directors.

Ms. Kinley-Lick stated that, for 20 years, she consulted for government agencies and corporations on the social and economic impacts of a variety of public and private programs and policies. She stated that the ordinance could be expected to have some adverse impacts, and the City does not yet have a clear understanding of what they will be.

Ms. Kinley-Lick said no one disputes the need to improve the standard of living of the working poor, but the question is whether the efficient way to do that is to increase the living wage to \$8.50 to \$10.50.

Ms. Kinley-Lick stated that Dr. David McPherson, an economist at Florida State University, has indicated that extending the living wage to the private sector "causes significant job loss and discourages business investment... and that \$8.50 an hour minimum wage is detrimental to some of the very people it

proposes to help.... He estimates that approximately 154, or 5%, of the 2,700 Santa Fe employees who might be eligible for a pay increase at the \$8.50 an hour level would lose their jobs.... and more than half are projected to be in families earning less than \$25,000 a year... and two-thirds are likely to be Hispanic, and 53% of the people who would lose their jobs never graduated from high school.... so they are the people who are least likely to find alternate employment, especially in Santa Fe."

Ms. Kinley-Lick said it would be fiscally and socially irresponsible to adopt the living wage ordinance without doing an economic impact study.

#### Eric Valdez

Mr. Valdez, 999 Avenida de las Campanas, said he is 18 years old and questions what message the Council would be sending by adopting this ordinance. He stated, "If you raise the minimum wage to \$10.50, you'll make it seem like it's okay for the rest of the kids to drop out." He said kids will question the need to get an education if they can get \$10.50 an hour.

#### Carol Oppenheimer

Ms. Oppenheimer, 1300 Canyon Road, said she served on the Living Wage Roundtable and there was disagreement about many things, "but we did all agree with Jerry Easley on one thing. When he said that he did not think that, quote, anyone can raise a family on \$8.50, \$9.50 and \$10.50, end of quote."

Ms. Oppenheimer stated that there is opposition to a living wage because opponents fear government regulation and legal requirements. She said Al Lucero, owner of Maria's, stated, "Labor wants to mandate this and management does not. Management wants free private enterprise to do the job."

Ms. Oppenheimer commented that people who oppose the living wage place great faith "in the magic of the marketplace. Some kind of invisible hand that will allocate resources fairly and equitably. But it has never worked that way. The magic of the marketplace never stopped child labor, and it never gave workers a minimum wage.... Sometimes laws are needed to protect those without the resources to protect themselves." She pointed to OSHA laws and discrimination laws and child labor laws, commenting that, each time these laws have passed, "business has predicted that the sky would fall, that businesses



would go under and the economy would collapse.” She said none of these “doom and gloom predictions have come true,” however.

*[Page 20 of the November 12, 2002 Living Wage Roundtable minutes submitted herewith as Exhibit “B.5” with comments by Mr. Easley and Mr. Lucero highlighted.]*

#### John Otter

Mr. Otter, 2300 W. Alameda, D3, spoke in favor of the living wage ordinance. He stated that people in Santa Fe who are working 60 hours a week are still struggling to get by, but manage to live here by receiving subsidies. He noted that 46.5% of persons who uses the food banks here are employed.

Mr. Otter said a low minimum wage causes more family members to work, and for longer hours. He said this takes time from family activities, including the ability of parents to spend time with their children on homework.

#### Kingsley Hammett

Mr. Hammett stated that he was proud of the City Council for adopting various resolutions and ordinances in support of undocumented immigrants, opposing the death penalty, against the war in Iraq and in favor of civil rights. He said he was not proud of the fact, however, that the state sets the minimum hourly wage at \$4.25 and the national rate is \$5.15. He commented, “And I’m less proud of the people who live in the city and have benefited from the city, as I have, who can stand up here and say, I don’t want to pay people \$8.50 an hour. I find that absolutely shameful.” He said none of those persons is paid \$8.50 an hour, so could not know the meaning of that.

#### Jerilou Hammett

Ms. Hammett said she helped draft the original living wage ordinance, which proposed starting at \$10.50 an hour, so \$8.50 was a compromise.

Ms. Hammett stated that the City has “rolled out the red carpet for high end developers” for many years, with the upshot being a segregated city with

segregated neighborhoods, which is something entirely new here. She said Santa Fe now has a phenomenally high cost of living, with many people working at least two jobs, and schools and social services suffering the effects.

Ms. Hammett said the City has a terrible track record in affordable housing and economic development, "and now we're standing here begging the City Council to do something decent, to make our community a healthier place, to even it out, to bring the bottom end a little bit closer to the top."

#### Suzanne Goetz

Ms. Goetz, a member of the Living Wage Network and the Alliance for Affordable Housing, stated that people are not entitled to have their own business if it is not viable and has to be on the backs of its employees.

Ms. Goetz noted that the 13,000 richest families in America now have almost as much income as the 20 million poorest families, and have incomes 300 times that of the average family. She commented that, while this is an abstract concept in most areas, in Santa Fe "we see this in full blown living color everyday."

Ms. Goetz said the living wage ordinance would be "a fair tweaking to try to level the playing field a little bit."

#### Jo Kinney

Ms. Kinney, 1451 Santa Cruz Drive, urged Councilors "to take a risk on the side of compassion and justice." She stated that many of the programs now in place, such as Worker's Comp, FICA, and other benefits are the result of workers fighting for them by petitioning their elected officials. She said, "That's what we're doing right here." Noting that some employers have objected to this ordinance because they do not want to cut their bottom line, she said the working people of Santa Fe have helped create the extreme wealth here.

#### Bruce Squires

Mr. Squires, owner of One Hour Martinizing in Santa Fe, said his workers helped build his business and deserve to earn more. He stated that he was not against paying them a living wage, but was concerned by the wording in the ordinance. He said he has 65 employees, and the wording would put his company at an uncompetitive disadvantage to smaller employers, and would cause his employees to lose their jobs not because of the living wage, but because of the limits that are placed. He urged the sponsors to have the political courage to pay everyone in Santa Fe a living wage.

#### Fred Flatt

Mr. Flatt stated that fear and greed are powerful emotions — and he was not saying that any of the small business owners at this meeting were greedy, since he knew they were struggling — but hope and despair are also powerful emotions, “and you guys have the opportunity to give some people in this town a little bit of hope, the ones who are despairing now.” He said he supported the ordinance.

#### Morty Simon

Mr. Simon, 1300 Canyon Road, said the opponents of this ordinance are using a study by the Employee Policies Institute, a restaurant-supported lobbying and research organization known for its close links in the past “with people like Newt Gingrich.” He said the study was done to rebut the Card & Krueger study, which was done by people who are neutral.

Mr. Simon stated that the McPherson study states that, if all of the costs were to go into reduction of hours, the reduction in hours would be 2.2%. He questioned the catastrophic prediction that “the sky will fall in” if that happened. He said the study also points out that, in return for the 2.2% reduction, there will be an increase of 30% in the real wage for workers here. He pointed out that such an increase would have a dramatic impact on poverty in Santa Fe.

Mr. Simon also pointed out that trickle down economics has not worked at all, and in Santa Fe people know that very well. He said that, when he first came to Santa Fe, it was possible to live on a salary of \$10,000, which would be \$30,000 to \$40,000 today if it were adjusted for inflation. He stated that New Mexico is now 49th in per capita income in the U.S., while in the 1970s it was 36th, so now has the third-greatest inequality of wealth in the United States.

Virginia Miller

Ms. Miller, 125 Calle Don Jose, stated that a living wage for working families in Santa Fe is a matter of justice. She said the working families who keep Santa Fe functioning deserve to earn enough wages to live in this community. She also stated, "The health of our community depends on extending the living wage."

Natasha Williamson

Ms. Williamson said she lives in Santa Fe County. She stated, "I've heard two emotions expressed over and over tonight. One is fear, the other is desperation."

Ms. Williamson said she has a college degree and has worked for the State since 1987, and now makes \$13.36 an hour, which is "almost the average wage in Santa Fe."

Ms. Williamson stated that, in 1972, she and her husband paid \$60 a month rent and her husband was able to support the family on \$75 a week. She said, "That has changed. There are four wage earners supporting seven people in my family, and we go deeper into debt every month."

Ms. Williamson said her daughter works as a waitress and makes \$2.12 an hour, a salary that is unchanged in 20 years, but her taxes have gone up from 8% of her presumed tips to 10%. She stated that her daughter has to pay the bartender and also tip the busboy 20%.

Pat Chavez

Mr. Chavez, 2500 Sawmill Road, #1816, said he works for the NEA and cannot afford a house in Santa Fe. He stated that he moved from Los Alamos five years ago after divorcing, where he had a house, and has been waiting for his salary to increase so he can buy a house.

Mr. Chavez stated that he co-chaired the Living Wage Roundtable as a labor representative. He said Jerry Easley of the Chamber of Commerce is threatening to sue the City if the ordinance passes, and questioned who will have to pay the costs of the litigation.

Mr. Chavez asked the Councilors to support the ordinance.

This concluded public comment.

### **Discussion**

Councilor Chavez spoke to the increased difficulties that local Santa Feans are experiencing in trying to buy their own home — according to statistics, 75% cannot afford to do that — and over the years he is becoming displaced by people moving here, and is now a minority in his own hometown. He stated that many City staff members have to live in Santa Fe County because they cannot afford to live here.

Councilor Chavez said it is necessary to balance the cost of doing business with the cost of living in Santa Fe.

### **Councilor Chavez moved approval of the ordinance, with the following amendments:**

1. On page 2, line 14, delete the word “city” and insert “community”
2. On page 2, line 16, insert new language after the word “uninsured” to say:

Coupled with high real estate values, low wages reduce the ability of low- and moderate-income residents to access affordable housing. As a result, the city has had to invest significant tax dollars to support affordable housing including funding to nonprofit organizations, purchasing land, building infrastructure and waiving fees. In addition, the city has allocated significant tax dollars to operate after school and summer recreation programs and to support nonprofit organizations offering an array of human services and children and youth services, all of which are needed by very low income residents and their families.

3. On page 4, line 9, delete the amount \$25,000” and insert “75,000”
4. On page 4, line 23, delete the word “unpaid”

In discussion on #3, Councilor Chavez stated that he understood Steve Whitman had developed this amendment in an effort to capture more nonprofits and revolving loan funds, but he did not have enough information from Mr. Whitman to discuss this further.

Councilor Heldmeyer said she would like to see a list from Mr. Whitman on who would be affected.

**Councilor Ortiz seconded the motion, with amendments 1, 2 and 4.**

**The motion, as amended, passed 3-0 by voice vote.**

### **ADJOURN**

Its business completed, the Committee adjourned the meeting at approximately 9:00 p.m.

Accepted by:

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Councilor Carol Robertson Lopez, Chair

Reviewed by:

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Kathryn Raveling, Finance Director

Submitted by:

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Judith S. Beatty, Recorder

